

Exhibit F

1 both.

2 Q. And have you observed evidence in the record of actual
3 attempts to enter the national account space?

4 A. Yes, I have. I've seen evidence I think that again is
5 kind of very sobering if you're thinking about the potential
6 for entry to impact competition here. One is the testimony
7 we heard from Ms. Bierbower about Humana and how they had to
8 break off their efforts to be competitive in the national
9 accounts space because of this chicken-or-egg problem. You
10 know, it's one thing to participate in, say, the Medicare
11 program where the rates paid to providers are largely
12 determined by the government. There's not that much
13 discount negotiated in that space.

14 But in the commercial space, where there's large
15 discounts potentially being negotiated, if you're small,
16 it's hard to become big.

17 The other one that I think is also really
18 interesting is Kaiser, which I want to say about 15 years
19 ago, give or take five years, Kaiser made a concerted effort
20 to expand its geographic footprint across the United States,
21 and a wonderful research paper published by Professor Kate
22 Ho -- and that's spelled H-o -- from Columbia University,
23 she explored why Kaiser failed in its efforts to grow its
24 national footprint, and she identified the same problem, the
25 inability to create viable networks across the United

1 States.

2 So I'm going to say, you know, if Kaiser is having
3 a hard time becoming a national player, and if Humana has
4 walked back from becoming a national player, they're like
5 the two biggest candidates to succeed in this way, how are
6 these upstarts going to do better than providing, say, a
7 high-performance network for hip replacement surgery in a
8 few geographic locations, which is the type of entry that I
9 think you are seeing.

10 But expanding beyond that to become a real threat
11 to the big four I think is all but impossible.

12 Q. How does the evidence of innovation you discussed
13 earlier impact your assessment of entry?

14 A. Well, employers are increasingly expecting innovations
15 in health and wellness and provider collaboration and
16 providing data back to employers and providers, and that's
17 just another barrier to an entry because they're not going
18 to have the information base to make that happen.

19 Q. Apart from entry, have you considered defendants'
20 arguments that private exchanges and slicing would constrain
21 a price increase following the merger?

22 A. Yes, I have.

23 Q. And what is your assessment?

24 A. I don't think either is likely to constrain price
25 increases following the merger. As we discussed before,